

MISSISSIPPI

TREASURY NOTES



From State Treasurer Marshall Bennett

Summer 1999

New Landmark Grant Program Assists in Preserving Mississippi's Historical Treasures

The Mississippi Landmark Grant Program was passed in the 1999 Legislature to provide state-funds to preserve endangered historically significant properties. No general fund appropriation will be required, but perpetual revenue for historic property preservation is anticipated from a special fund in the State Treasury.

In 1972, the Mississippi Antiquities Law recognized that it was "in the public interest of the state to locate, protect, and preserve all sites, objects, buildings, shipwrecks, and locations of historical, archaeological, or architectural significance." Since that time, the Board of Trustees of the Department of Archives and History has compiled quite an extensive list of Mississippi Landmarks, which may belong to the state, counties, cities or political subdivisions.

The new law establishes the Mississippi Historic Properties Trust Fund within the State Treasury.

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Mississippi Establishes Nationally Historic Tobacco Settlement Trust Fund

Mississippi has taken the national lead in establishing a broad reaching health care trust with the state's landmark Tobacco Litigation Settlement Funds. Legislative leaders have agreed to a bill establishing the Health Care Trust Fund and providing \$50 million this year to spend on health care related needs. Mississippi is the first state in the nation to establish a perpetual endowment trust fund for improvement in health care with proceeds from the tobacco litigation settlement.



Flanked by Members of the Legislative Conference Committee, Treasurer Bennett addresses the news conference announcing Mississippi's historic trust fund. From left: Representatives Bobby Moody and Charlie Capps, Senators Jim Bean, Bennie Turner and Hob Bryan, Lieutenant Governor Ronnie Musgrove.

"The people of Mississippi and future generations can be proud that this Legislature has shown wisdom in recognizing the overwhelming public support for establishing a permanent trust fund and using the earnings to provide for better health care - forever," said State Treasurer Marshall Bennett. "This historic action will assure a perpetual revenue stream which will help make Mississippi the healthiest state in the country by funding the children's health insurance program, regional trauma centers, cancer screening, school nurses,

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Every County Has Students Enrolled for College Tuition

At one time in Mississippi's not too distant past, a college education was just a "dream" for every Mississippi child. Mississippi is among a growing number of states offering its citizens the benefit of prepaid college tuition, locking in the cost of a future college education at roughly today's tuition prices. In 1980 only 12% of the state's population age 25 and over had a bachelor degree. By 1996, that percentage had risen to 16.9%. Our goal through the MPACT program is to help put college within reach of every Mississippi family, and we can all be encouraged by what the statistics from the most recent enrollment period tell us.

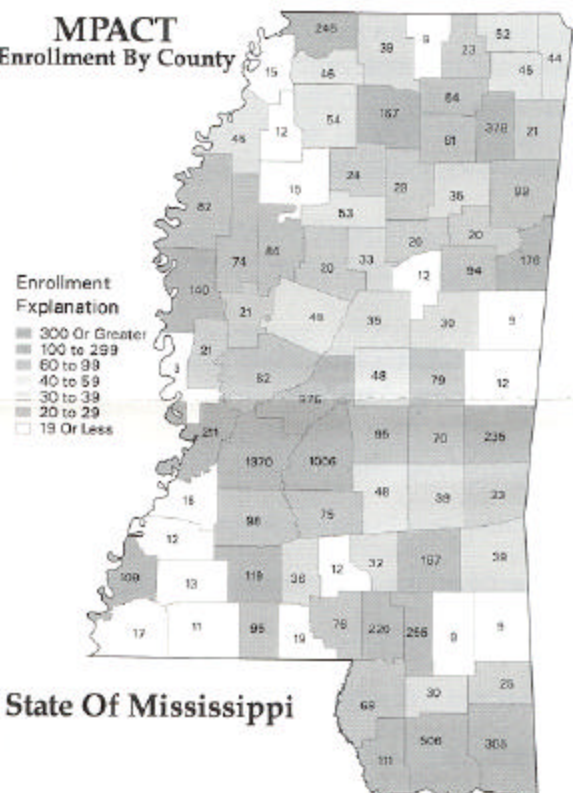
- Almost 10,000 children from all across Mississippi are enrolled in MPACT, ranging from 3 in Issaquena County to 1370 in Hinds County.
- 76.79% of contracts were purchased by parents
- Grandparents purchased 17.04% of contracts for their grandchildren
- 27.34% were purchased by parents of 1st - 4th grade students
- Parents of grade K and under students purchased 35.56% of contracts
- 60.91% of contracts were for 4 years at universities in the state
- Junior college/university combinations comprised 33.83% of contracts
- 6.34% of contracts were purchased by minority families
- 34% of contracts were purchased by residents of the Metro Jackson area (tri-county)
- 6% of contracts were purchased by residents of the Tupelo area (5-county)

- 7% of contracts were purchased by residents of the Hattiesburg area (5-county)
- 10% of contracts were purchased by residents of the Coast area (3-county)

The creation of MPACT in 1996 has been one of the most visionary and pro-family actions our Legislature has undertaken. Education is a vital part of our state's long range economic development plan. By making college education affordable and attainable, we assure that our people will be able to meet the challenges of business and industry in the coming decades without high debt to pay for college loans. An educated workforce is better prepared to attract higher paying jobs that improve the quality of life in our counties and communities. For more information about MPACT contact our office at 601-359-3600 or call MPACT toll free 1-800-987-4450.

- *Citizens may access MPACT through the Treasury web page. The address is www.treasury.state.ms.us*

MPACT Enrollment By County



Map Prepared By MARIS - January 1999.

Source Date January 25, 1999.

Initial funding for the trust is \$10 million set aside from Mississippi's Unclaimed Property Fund. The Treasury receives unclaimed funds of dormant accounts from banks and other holding companies, then conducts an active search for owners or heirs. At no time do the unclaimed funds become the property of the state. Since 1982 approximately \$10 million has been returned to its rightful owners, \$2.2 million of that total during fiscal year 1998.

The interest and income generated by investing this money will be transferred quarterly to the Mississippi Landmark Grant Program to be used by the Department of Archives and History for the purpose of acquiring, preserving, restoring, supporting, operating and administering Mississippi Landmark properties or for specific historical projects. Additional funds will come from donations, bequests, gifts and grants. In addition, the board of supervisors of every county and the governing authorities of every municipality in the state may make contributions to the program for use on specific properties.

Whether visiting Oxford Square, Piney Woods Country Life School, the ruins of Windsor, the Lighthouse in Biloxi, or any of the hundreds of historic points in between, even the casual observer is struck by Mississippi's depth of heritage. Every county boasts historical treasures that add local flavor and contribute to the state's rich history. The Historic Properties Trust Fund and the Landmark Grant Program will provide approximately \$500,000 annually to preserve local historic sites without imposing any burden on our taxpayers.

Have you moved?



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veterans health care, and medicine for our senior citizens."

"This is a phenomenal accomplishment for our state. By 2004 the state will have a \$1 billion trust fund."

The bill protects and preserves the principal of the tobacco settlement funds, and allows investments similar to those authorized for the Public Employees Retirement System (PERS) and the Mississippi Prepaid Affordable College Tuition program (MPACT). Revenue and interest payments will provide health care funds of \$50 million in the year 2000, increasing by 10% per year until 2004. In 2004, and in subsequent years, health care will receive payments totaling the average earnings of the lifetime of the Health Care Trust Fund.

According to Treasurer Bennett, "This is a phenomenal accomplishment for our state. By 2004 the state will have a \$1 billion trust fund. By 2007 annual payments will exceed \$100 million for health care to benefit generations to come. It is significant that the message Mississippians are sending to the rest of the nation is we believe that the health and well being of our citizens is most important. This is model legislation which other states are already studying."

Fiscal Year	Trust Balance	Scheduled Payout
2000	\$280,000,000	\$50,000,000
2001	\$511,356,500	\$55,000,000
2002	\$750,244,863	\$60,500,000
2003	\$1,034,800,000	\$66,550,000
2004	\$1,265,607,474	\$77,039,368

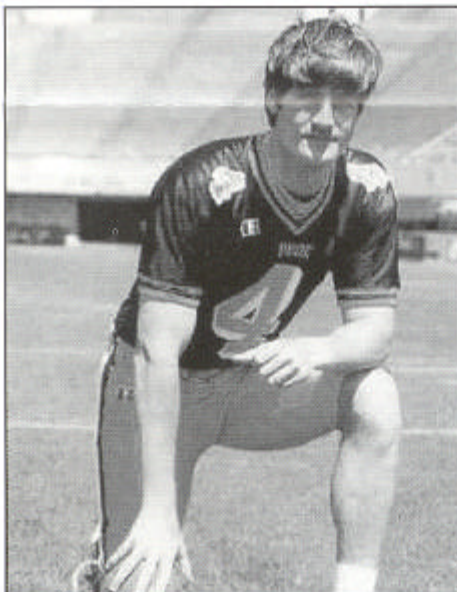
Funds Flow to Counties during Fiscal Year 1998

Significant amounts of money flow through the State Treasury to the various counties of Mississippi every year. The State serves as a tax collector for the county governments, saving the counties the extra overhead costs of direct collection. For example, the figures below represent funds collected by the State Tax Commission, transferred to the Treasury and distributed to the counties during fiscal year 1998, which ended June 30, 1998.

State Funds	Description	Total Distributed in FY 1998
	Homestead Exemption	\$47,307,664.39
	Insurance Premium Tax	5,972,188.12
	Gas Severance Tax to Counties	3,250,474.77
	Oil Severance Tax to Counties	3,712,579.70
	Timber Severance Tax to Counties	876,500.50
	Gasoline Tax to Counties	38,641,637.05
	Road Protection - Harrison, Jackson & Hancock	2,935,811.31
	Seawall Tax - Harrison, Jackson & Hancock	5,571,698.09
	Truck & Bus Privilege Tax to Counties	4,367,767.38
	Additional Privilege Tax to Counties	15,705,858.13
	Gaming Fees to Counties	45,759,243.75
	Motor Vehicle Ad Valorem Reduction	142,295,173.77
	Adams County Convention Promotion Tax	759,157.64

Coahoma County Special Tax	241,725.00
Desoto County Convention/Visitors Tax	1,728,441.37
Hancock County Tourism Tax	123,303.43
Harrison County Tourism	2,674,669.22
Jasper County Sales	273.56
Lauderdale County Tourism/Convention Tax	323,864.48
Lowndes County Special Tax	28,572.37
Rankin County Special Tax	96,425.01
Starkville-Oktibbeha County Tourism	68,061.76
Tishomingo County Special Tax	15,022.63
Tunica County Special Tax	1,079,250.68
Warren County Tourist Promotion	723,308.54
Washington County Tourist Promotion	471,635.78
Yazoo County Special Tax	207,632.90
Nuclear Plant - Counties	11,131,886.42
Railcar in Lieu of Taxes - Counties	2,309,011.00

Total State Funds to Counties	338,378,838.75
Fed. Funds	
TVA in Lieu of Taxes to Counties	7,163,973.98
Federal Flood Control Funds	325,440.87
Flood Control - Minerals Management on Flood Control Land	792.95
Forestry - Minerals Management Service	1,064,975.39
Forestry - National Forest Receipts	4,919,018.99
Forestry - Timber Sales on Military Lands & Forest Products	685,391.60
Total Federal Funds to Counties	14,159,593.78
Total Transfers from State to Counties	\$352,538,432.53



Treasury Employee Profile



Shelby Johnson, Jr.

Shelby Johnson, Jr., has served as an employee of the Mississippi Prepaid Affordable College Tuition program (MPACT) since 1997. It was no surprise to Treasury Department personnel when Shelby, an avid sportsman, was selected as Punter/Kicker with the Mississippi Pride professional football team. He is # 4 in your Program. During the season, Shelby divides his time among the Pride, MPACT, and his family. He and his wife, Candi, have a one year old daughter, Anne Marie.

National Study on College Savings Plans

Families from across the country are struggling to eliminate the debt burden of sending their children to college, through the wrong savings plan. Many parents are missing out on one of the best ways to save - through qualified state tuition programs.

According to a national study conducted by the College Savings Plans Network (CSPN), 73 percent of parents said they are currently putting away part of their income for their children's college education, and most consider it to be as important as saving for retirement. Already 4 percent are saving through qualified state tuition plans.

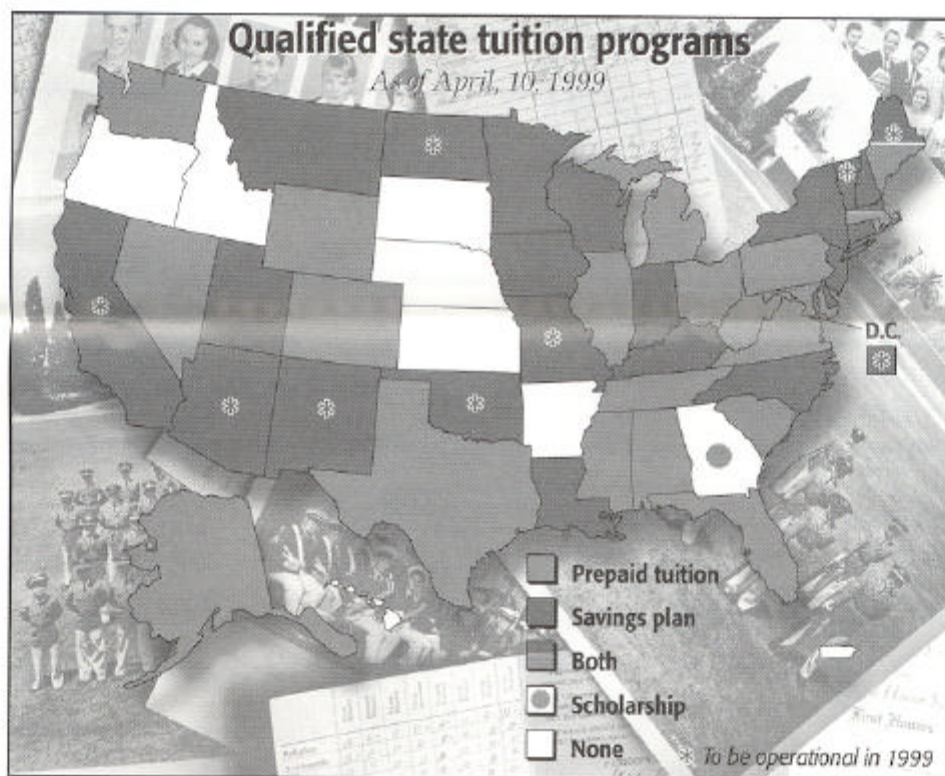
"One of the striking findings of the study revealed that even though a high number of parents are actually saving, most are not saving enough or on a regular basis. Because low return passbook savings are the most used vehicle, it has become the least effective choice for their money," said Marshall Bennett, CSPN chairman and Mississippi State Treasurer.

"Passbook savings plans are terrific products for certain savings objectives, but they are not the ideal method for

College savings plans," explained Bennett. "First of all, passbook plans do not keep pace with inflation, and the parent is taxed annually on earnings at his or her income rate. Second, because the funds are very accessible, the temptation is always there to spend the account for other family expenses. Mutual funds can provide a great return but the risk is greater as well."

Bennett explained that more than half (54 percent) of those surveyed were aware of state savings programs, and of those, three quarters (74 percent) had favorable impressions of the plans. "The survey revealed that 80 percent of parents say that it is difficult to save for their children's education. It's difficult but very important," he said. "State sponsored college savings plans have taken some of the shock out of the family financial crisis."

According to CSPN officials, the study of the majority of savers (70 percent) say they prefer a program with a guaranteed but modest rate of return as opposed to a program with a higher rate of return but no guarantees. Their choice of savings vehicles is not always consistent with that view as 47 percent use traditional saving accounts, 37 percent invest in mutual funds, 17 percent in the stock market and 16 percent buy U.S. Savings Bonds.



Great Mississippi Treasure Hunt for \$28,000,000

Please assist us in finding these owners or their heirs



Top 20 names and accounts
We are looking for you!



Name	Location	Amount
Mrs. Phillip A. Bloomer	MS	\$10,188.66
Richard H. Burrow	Vicksburg, MS	12,876.93
Joseph N. Candelora	Madison, MS	13,716.75
CCMF Escrow	MS	20,501.94
Beatrice Conner	Vance, MS	13,586.58
Guy K. Ellis	Greenville, MS	10,058.75
Carl C. Farmer	Hattiesburg, MS	11,160.24
Sidney N. Fuller Trustee	MS	13,525.80
William E. Howard	Laurel, MS	11,697.75
Louise Kennedy Estate	MS	15,287.80
Lizzie Laster	Jackson, MS	11,543.86
Alvera Lofton	Jackson, MS	14,746.20
Willie Mae McCoy	Laurel, MS	13,635.67
Rita C. McMurray	LaJolla, CA	15,000.00
Catherine Pierce	Salt Lake City, UT	15,000.00
Qualicare of Mississippi	Biloxi, MS	29,263.15
Catherine Raible	New York, NY	15,763.69
R.O. Smith	MS	16,241.87
Southern Bond Clearing	Olive Branch, MS	13,772.46
Suburban American Co.	Ridgeland, MS	10,681.77



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